

... ensure adequate protection of public health and safety,
U.S. NUCLEAR REGULATORY COMMISSION
promote the common defense and security, and protect the environment.

FY 2005 PERFORMANCE AND ACCOUNTABILITY REPORT



MISSION

License and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

VISION

Excellence in regulating the safe and secure use and management of radioactive materials for the public good.

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(From left to right) Commissioner Gregory B. Jaczko, Commissioner Edward McGaffigan, Jr., Chairman Nils J. Diaz, Commissioner Jeffrey S. Merrifield, and Commissioner Peter B. Lyons

A MESSAGE FROM THE CHAIRMAN

I am pleased to present the Nuclear Regulatory Commission's *Performance and Accountability Report for FY 2005*. The NRC's strategic objective is to enable the use and management of radioactive material and nuclear fuels for beneficial civilian purposes in a manner that protects public health and safety and the environment, promotes the security of our Nation, and provides for regulatory actions that are open, effective, efficient, realistic, and timely. I am proud to report that once again the NRC has achieved all of its safety and security performance goals. I am also pleased to report that the NRC continues to position its resources and infrastructure to maintain its strong oversight of existing facilities and to review future applications for new power reactors, license renewals for existing facilities, and a high-level waste repository.



Safety and security continues to be NRC's highest priority. The NRC has strengthened safety and security at commercial nuclear facilities and augmented protection of NRC-regulated radioactive material. In addition, we increased efforts to improve preparedness and emergency response capabilities significantly. As a result, America's nuclear facilities are more secure and better defended today than ever before.

The NRC is committed to ensuring that our resources are well managed. This report provides information which demonstrates the prudent management of the funds entrusted to us by the American public and describes our successes in implementing the President's Management Agenda to promote a more efficient and effective Government. The Reports Consolidation Act requires an assessment of the completeness and reliability of the program performance and financial data contained in this report based on evaluation criteria issued by the Office of Management and Budget. I conclude that the data are complete and reliable. In addition, the NRC has evaluated its management controls and financial management systems as required by the Federal Managers' Financial Integrity Act. On the basis of the NRC's comprehensive management control program, I certify, with reasonable assurance, that the NRC is in compliance with the provisions of this act. The auditors have issued an unqualified opinion on our FY 2005 financial statements. They have identified the quality assurance process over the Fee Billing System as a material internal control weakness. The auditors also identified the Fee Billing System, as well as the core accounting and payroll systems provided

by the Department of Interior's National Business Center as being in substantial noncompliance with Governmentwide financial system requirements and with the Federal Financial Management Improvement Act. We have implemented improvements to the fee billing process (see Chapter 1, *Audit Results*) and will continue to work toward eliminating this material internal control weakness and Federal Financial Management Improvement Act substantial noncompliance.

The NRC's vision is to achieve excellence in regulating the safe and secure use and management of radioactive materials for the public good. The Commission is proud of this past fiscal year's accomplishments in fulfilling the vision and looks forward to continuing to provide high-quality service to the licensees we regulate and to the American public.



Nils J. Diaz

November 15, 2005